Rate of Inflation

7541. SHRI JAGMOHAN: Will the Minister of FINANCE be pleased to state:

(a) whether the rate of inflation has gone up during the last two months, *i.e.* April and May, 1994;

(b) what was the rate of inflation on 15th May, 1994;

(c) what was the purchasing power of rupee on the aforesaid date *i.e.* 15th May, 1994 as compared to its purchasing power in 1960 computed on the basis of All India Consumer Price Index for industrial workers; and

(d) what measures have been taken by Government to bring the inflation rate down and also to ensure overall price stability?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE SHRI M. P. CHANDRASHEKHAR MURTHY): (a) The provisional inflation rate based on WPI has ranged between 10.5 to 11.2 per cent during the last two months, April and May 1994, as shown below:

Week ended	Rate of inflation
2-4-1994	10.5
9-4-1994	10 5
16-4-1994	10.6
23-4-1994	11.2
30-4-1994	11.0
7-5-1994	11.1
14-5-1994	11.0
21-5-1994	11.1
28-5-1994	10.6

(b) The inflation rate for the week ended 14 May (closest date to 15 May) as 10.97 per cent.

(c) The purchasing power of Rupee in April 1994 (based on latest available data) was 7.54 paise.

(d) Government has taken a number of anti-inflationary measures to curb the growth of aggregate demand in the economy as well as to augment supply of key commodities through various supply management policies. Some of these measures are:

(1) Commitment to strict adherence to a fiscal deficit target of 6 per cent of GDP and prevention of automatic monetisation of budget deficits.

(2) Monetary and credit policy to be pursued by RBI in 1994-95 is to curtail money supply expansion from 17.8 per cent in 1993-94 to 14-15 per cent in 1994-95.

(3) Import of sugar, raw cotton and edible oils have been permitted under OGL.

(4) Authorising import of 1.58 lakh tonnes of Palmolein for distribution through PDS.

(5) Open market sale of wheat and rice from Public stocks of FCI.

(6) Allowing imports of viscose staple fibre at concessional duty of 7 per cent supplement cotton yarn production.

(7) Selective credit control measures for agro raw materials. Increase in minimum margin and reduction in credit ceiling by 15 percentage points on bank advances against the stocks of cotton and kapas, vegetable oils and oil seeds and pulses and, upward revision in concessional margin on bank advances against vegetable oilseeds and oils to cooperative societies from 10 per cent to 25 per cent effective May 16, 1994.